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BOOK REVIEWS

A Project of Empire: A critical study of the Economics of Empire, with special reference to the ideas of Adam Smith.
By J. SHIELD NICHOLSON, Professor of Political Economy
in the University of Edinburgh. (New York: The Macmillan
Company, 1910. Pp. xxv, 284. \$2.25 net).

The subtitle of this book does not indicate with complete accuracy its character or contents. There is more of reference to Adam Smith than there is of critical study. In the main, the book gives a statement, almost a paraphrase, of parts of the *Wealth of Nations* with running comment by Professor Nicholson. The views of Adam Smith on the relations between Great Britain and her colonies (including Ireland, still in a semi-colonial position in the 18th century) have been largely forgotten. The fact that he proposed a complete scheme of imperial federation deserved to be brought to the attention of the British public; but it may be doubted whether it was worth while to do this in such a handsome and pretentious volume.

The paraphrase of Adam Smith is elaborate. It touches some topics that have no obvious connection with the project of empire. Thus, Adam Smith's familiar (and pretty well discarded) distinction between productive and unproductive labor is explained, and is then declared by Professor Nicholson to be "quite clear and distinct; it answers to common usage, and calls attention to an important difference in the uses of labor." On other topics, more germane, Adam Smith's reasoning seems to me less significant than to Professor Nicholson. Then, stress is laid on Adam Smith's marshalling of industries in an order of advantage or productiveness: agriculture first, the home trade of consumption next, the foreign trade of consumption third, and so on. I had supposed that this doctrine, like the physiocratic one of a similar sort, had been relegated to the limbo of theories having a purely historical interest, and that nowadays no one would apply it to problems of

foreign or domestic trade. Yet Professor Nicholson presents it with praise, in a manner implying that it is important and pertinent. Surely any preference which an economist of our day may have for the "home trade" must rest on grounds very different from those of Adam Smith. On other topics, again, the comments add little to what Adam Smith himself said, and do not make clear what are Professor Nicholson's own conclusions; for example, on such a crucial question as the expediency of tariffs for negotiation and retaliation. It is true, but is inconclusive, that "retaliation that fails is worse than useless" (page 168), and that "retaliation, to be effective, must run risks" (page 170).

Professor Nicholson's position on the fiscal controversy is stated, or rather intimated, partly in his preface, partly in his concluding chapter. He is clearly in favor of a scheme of imperial federation, with representation of all the constituent parts of the empire in a central legislative body; and no less clearly in favor of a complete customs union, such as to bring unqualified free trade within the empire. But it is not certain what tariff policy he would accept for the empire, as against the rest of the world. The trend of his reasoning—or rather, of his endorsement of Adam Smith's reasoning—is against protection. He believes that preferential duties on food are not needed by the colonies, and "would be unpopular in this country with large classes of people" (page 257). Vested interests of manufacturers in the colonies would present difficulties, but this is not an insuperable obstacle (pages 253-256). "Taxation for other than revenue purposes is beset with practical difficulties" (page 265). And yet in the preface we read "that the advantages of a real commercial union . . . are so great that the question ought to be considered from the point of view, not only of the constituent parts, but of the whole. Free trade and protection are only means to the achievement of national and imperial aims" (page ix). On the whole, one infers that Professor Nicholson would swallow a protective tariff in order to secure an empire free from customs barriers within.

Those who are interested in the history of economic theory will not find much that is new in the volume; though it may lead them to turn to some of the less familiar passages in the *Wealth of Nations*. And on the questions of principle involved in the controversy over protection Professor Nicholson presents no novel argument.

Such as it is, the book—however guarded Professor Nicholson may be—will tell in favor of the unionist propaganda not only for imperialism, but for “tariff reform.”

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F. W. TAUSSIG.

Selections from the Economic History of the United States. 1765–1860. By G. S. CALLENDER, Professor of Economics in Yale University, (Boston: Ginn & Co., 1909. \$2.75.)

This does not purport to be a text book nor a treatise, but a “manageable body of reading for college and university courses.” The editor has set himself a task well-nigh impossible within the compass of 800 pages, and the result can hardly be satisfactory to one accustomed to dealing with sources. Many of the selections are admirable, but others are hardly worth the space devoted to them. There seems no reason for giving passages from Hildreth, Pitkin, De Tocqueville, Cairnes, Sumner, Seeley—references to be found in any college library; and the accounts given by Dickens and Trollope of the peculiarities of American travel and travelers can hardly be regarded as having economic significance. One notes, on the other hand, some serious omissions; Lambert’s *Travels*, Buell’s *American Husbandry*, Chickering’s *Foreign Immigration*, Collins’ *Historical Sketches of Kentucky*, and Philip Hone’s *Diary* would have furnished material quite as illuminating as anything cited by Mr. Callender. But leaving aside matters of choice, it is possible that mere selections are likely to misrepresent the original and that a cursory acquaintance with a book as a whole is more educational than familiarity with fragments. Students who have access to good libraries should certainly be encouraged to go to the originals.

What is needed by the teacher of economic history is not a book of selections but a series of reprints representative of our very rich collection of first hand observation. No industrial development has been watched with more curiosity nor recorded with greater fidelity than the material progress of the United States. Such a series should be comparable in scope to Thwaite’s *Early Western Travels* and should include the accounts of the shrewder explorers, such as Captain John Smith; the reports of colonial governors; the